



## **NEWS RELEASE**

Tennessee Regulatory Authority

---

**Media Contact:**

Greg Mitchell, 741-2904 ext. 131

Email: greg.mitchell@state.tn.us

**For Release:** June 21, 2004

### **TRA Settles Billing Dispute with AT&T**

**Nashville, Tennessee** – The Tennessee Regulatory Authority (TRA) today accepted the largest settlement agreement in the agency's history between the TRA's Consumer Services Division and AT&T for an alleged violation of Tennessee law governing the provision of telecommunications services to consumers. The settlement agreement requires AT&T to pay the state \$177,000 and make \$225,000 in consumer adjustments.

"Billing consumers for these services without consent or approval is against the law, whether intentional or unintentional," said TRA Chairman Debi Tate. "We are, however, pleased with AT&T's quick response to the problem and for their willingness to properly address the matter with Tennessee consumers."

The alleged violation stems from the erroneous billing of Tennessee consumers by AT&T between the months of January and March of this year. The consumers, who were billed without their consent, were assessed a monthly recurring charge ranging from \$4.50 to \$8.50. The majority of the consumers billed were not AT&T customers. This practice is commonly referred to as "cramming" and companies that engage in the practice can be assessed a fee of between \$100 and \$1,000 per violation.

As part of AT&T's settlement agreement with the TRA, the company agreed to issue letters of apology as well as issue refunds to all consumers affected by the monthly recurring charge. The company has also agreed to file a report with the TRA verifying that consumers who were erroneously billed have received either a complete refund or a bill adjustment.

Consumers who have received unauthorized charges on their telephone billing statements are advised to contact AT&T at 1-800-222-0300.

###